

## **FISCAL NOTE**

### **HB 195 - SB 96**

April 4, 2003

**SUMMARY OF BILL:** Merges the University of Tennessee system into the State Board of Regents system and abolishes the UT Board of Trustees. The new board would be referred to as the Board of Post-Secondary Education. The membership of the board would be increased from 19 to 28 by adding one new member from each of the nine congressional districts. The bill also requires the Tennessee Higher Education Commission (THEC) to terminate unnecessary programs rather than studying the need of unnecessary and duplicative programs and recommending termination to the respective governing boards. A copy of the terminations would be filed with the Education Committees of the House and Senate.

### **ESTIMATED FISCAL IMPACT:**

#### **Decrease State Expenditures - Net Impact - Exceeds \$100,000**

- A decrease in state expenditures from reducing administrative costs in higher education resulting from consolidation of the two systems.
- A decrease in state expenditures resulting from abolishing the UT Board of Trustees for travel and related expenses.
- An increase in state expenditures from increasing the number of members on the Board of Regents by 9 members.
- A one-time increase in state expenditures due to the cost of changing to a common accounting system and a common data processing in order to make the UT and the Board of Regents systems compatible.
- A decrease in state expenditures resulting from eliminating studies of programs deemed duplicative or unnecessary.
- No significant cost savings associated with THEC's authority to terminate programs, since both Boards already work with THEC in eliminating duplicative programming and low producing programs.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director